

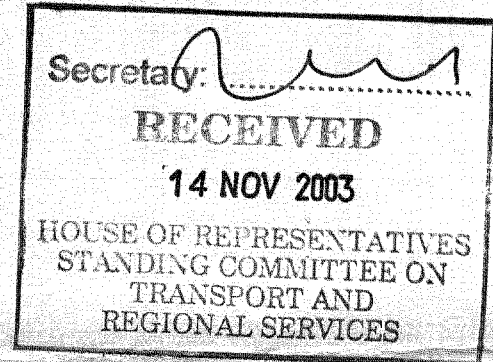


## NATIONAL SECRETARIAT

Suite 3,  
5 Asquith Street  
Kew Vic. 3101  
Telephone: (03) 9859 9487  
Facsimile: (03) 9859 7927  
Email: aaal@camfield.com.au

11 November, 2003

The Secretary  
Transport and Regional Services Committee  
House of Representatives  
Parliament House  
CANBERRA ACT 2600



Dear Sir,

**INQUIRY INTO PRIVATISATION OF REGIONAL INFRASTRUCTURE AND GOVERNMENT  
BUSINESS ENTERPRISES IN REGIONAL AND RURAL AUSTRALIA**

The Australian Airports Association was founded in 1982 in recognition of the real need for the one coherent, cohesive, consistent and vital voice for all aerodromes and airports throughout Australia. It is a non-profit organisation that represents the interests of over 255 member aerodromes and airports Australia-wide, from the local council-owned and operated community service landing strip, to the major privatised international gateway airports.

The Charter of the Australian Airports Association (AAA) is to facilitate co-operation among all member airports and their many and varied partners in Australian aviation, whilst maintaining an air transport system that is safe, secure, environmentally responsible and efficient for the benefit of all Australians.

The AAA welcomes this opportunity to make a submission to the Inquiry. As might be expected, our views are particularly focussed on the operations of aerodromes and airports that serve the communities of rural and regional Australia.

In the first instance we would like to make some general observations with regard to commentary in the 'background paper' to the Inquiry. The 'background paper' is not as comprehensive as it ought to be, by omitting full reference to rural and regional airports and should be amended as follows:

a) **Regional economic and social impacts of privatisation of Aviation (Airports).**

The identified benefits are only for 'travellers' – this does not translate to benefits to rural and regional airports and the communities they serve. Disadvantages as such, should also include any reduction in services to many rural and regional centres and the reasons behind such reductions. This section of the 'background paper' currently does not accurately reflect rural and regional airport (community) impacts.

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b) *Emerging issues of privatisation of Airports.*

*This rather short and brief paragraph refers to former ALOP Airports, giving a misleading rosy impression of regional airports post ALOP. The example cited, Cairns International Airport, is owned and operated by the Cairns Port Authority and it is difficult to accept this airport as a local government airport that is representative of regional airports around Australia. There are other regional airports with RPT services that similarly have significant revenue-generating opportunities.*

*It should be clearly understood by the Inquiry that the vast majority of regional and rural airports depend upon financial support from their municipal owners, most of which have a low ratepayer base and very little, if any at all, income-producing opportunities. The result is that currently the vast majority of rural and regional airports are under such financial pressure that they are slowly degrading due to lack of funding for current and future works. There are very few former ALOP airports now in private ownership.*

*Some attention should be given to the social impact on rural and regional communities should their local airports be forced to close in the future due to lack of local funding. The Government, under its broader community service obligations, should consider some way in which to assist some of these 'disadvantaged' rural and regional airports. The 'background paper' is somewhat misleading and should be expanded to provide a clearer picture of the significance of rural and regional airports, particularly social impacts upon the wellbeing of the local community served by the airport and the consequences of the airport being forced to close due to lack of funding.*

*The following issues are identified as being worthy of consideration by the Inquiry in more general terms.*

*Recent local and international events have had an adverse impact upon the efficiency, competitiveness, sustainability and accessibility for many rural and regional airports. Acts of terrorism, outbreaks of livestock-related disease, the Bali bombings, SARS and the collapse of established airlines have had both a direct and indirect effect on the numbers of passengers (and airlines) accessing rural and regional airports. The operating margins on these services were already slim, loss of confidence in air travel and the resultant downturn in passenger numbers have pushed many of the regional airlines to the brink and as a result they have reduced or cancelled services.*

*The collapse of the Ansett Group of Airlines had a profound impact upon the airports (communities) throughout regional Australia. The losses incurred by rural and regional airports around Australia, as a result of the Ansett closure, amounted to \$24 million. This money will never be recovered and is having a lasting and adverse effect on budgets for maintenance and capital works development. The unfulfilled expectation that location-specific charges would replace the 'Avgas Levy' at the time of the ALOPS has not helped the current situation.*

*As a combined community service obligation, the three tiers of Government may well be able to assist in encouraging a re-birth of interest in aviation to rural and regional Australia.*

*Rather than utilise expensive charter aircraft for the provision of legal, medical, dental and other community-related services, perhaps these agencies should adopt a policy of utilising RPT air services; the end result being a continuity of service for the local community, increased passenger numbers, reasonable fare levels and other commercial and tourist interest in the area.*

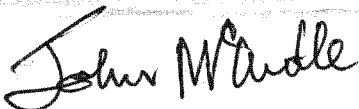
*The AAA is concerned at the apparent lack of understanding by the National Airspace Implementation group of the inherent safety concerns relating to the non-mandating of radio usage by aircraft in the vicinity of an airport in rural and regional Australia. Not only does this have significant safety implications at these airports without Air Traffic Control services, but it also enables aircraft operators to use the facilities at rural and regional airports without making any financial contribution to the maintenance, upkeep and future development of those airport facilities.*

*The AAA has, for the past three years, been advocating the need for the Commonwealth Government to take a pro-active leadership role to establish a National Aviation Industry Policy, to not only address some of the issues highlighted in this submission, but also issues in relation to national security, consistent Government policy across all States and Territories in air service licensing and fees structures and the establishment of a foundation for a shared Government and aviation business vision for the benefit of all Australians.*

*The future of Australia is the future of aviation!*

*Should the occasion and opportunity arise the AAA would appreciate participation at any public hearing to expand upon the foregoing comments.*

*Yours sincerely,*



*J. McArdle  
National Chairman*